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<u>CHINA</u>: National Day on 1 October was greeted in a subdued manner amid growing signs of political uncertainty in the provinces.

For the second year in a row there were no speeches, parades, or mammoth fireworks displays, but the regime did publish a major editorial. All of the active members of the ruling politburo normally residing in Peking turned out for the occasion, except for party chairman Mao Tse-tung. It has now been over eight months since Mao publicly presided over an important domestic gathering, although during his recently televised meeting with Japanese Prime Minister Tanaka the aging party leader appeared reasonably alert and healthy.

The National Day editorial contained no sign that China's pressing domestic political problems will soon be resolved. Another major occasion passed without an authoritative treatment of the sensitive issue of civil-military relations. editorial did reaffirm that the denunciation of former defense minister and heir-designate Lin Piao is the primary political task facing the nation, and repeatedly called on party cadre to intensify the examination of their own political attitudes in the light of Lin's perfidy. Since early this year cadre throughout China have been studying a series of documents purportedly outlining Lin's unsuccessful attempt to mount a military coup in September 1971. Greeted at first with shock and disbelief, the continuing anti-Lin campaign and the accompanying "rectification" movement have given rise to considerable anxiety and unrest in the provinces, where local political leaders--most of whom are military professionals-fear that they will be implicated in the plot.

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Indeed, a number of military province chiefs have dropped out of sight in recent months. 25X1 there are widespread rumors circulating within China that several of these leaders have been arrested, reportedly on the basis of their alleged ties with Lin Piao. In at least one province, leadership difficulties have allegedly sparked renewed armed clashes between rival political factions. To date no replacements have been named for these military provincial leaders, and it is possible that at least some of them will resurface in good standing. Nevertheless, given the army's dominant political role in the provinces, any effort by the central leadership to purge the ranks of the province chiefs, even on a selective basis, would run a serious risk of undermining the relative order achieved in the three years since the tumultuous Cultural Revolution.

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CHINA-USSR: Propaganda exchanges on the occasion of China's National Day indicate that both countries are still very much preoccupied with their dispute.

The primary theme of the foreign policy portion of Peking's National Day editorial is that Soviet efforts to encircle and isolate China are being effectively countered by China's flexible approach in foreign affairs. While both the US and the USSR are criticized for increasing international tension through their continuing superpower rivalry, the primary target of the editorial is clearly the "Soviet revisionist clique," which is charged with being even more deceptive and dangerous than the traditional imperialist powers.

Moscow used the anniversary occasion to castigate the Chinese for rebuffing Soviet attempts to normalize bilateral relations. A Soviet "congratulatory" telegram to Peking contended that the interests of both sides lay in improved relations, and Pravda reiterated that Moscow had made "constructive proposals" concerning agreements on nonaggression, nonuse of force, and settlement of border issues. Pravda went on, however, to denounce Peking's refusal to cooperate and its new policy of rapprochement with capitalist countries. Izvestiya also explicitly condemned the Chinese leaders for rejecting Moscow's attempts to improve ties.

This most recent exchange, as well as recent polemics from the Soviet side on the sensitive territorial issue, suggest strongly that the border talks in Peking remain stalemated. A TASS report on a reception held on 29 September by the Chinese Embassy in Moscow indicated that both chief Soviet negotiator Ilichev and Soviet Ambassador to China Tolstikov are at present back in Moscow.

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DENMARK: Voters gave overwhelming approval to membership in the European Communities in yesterday's referendum.

A record turnout of nearly 90 percent of all registered voters cast 63.6 percent of their votes in favor of entry, with only 36.5 percent opposed. The decision dispelled some of the uncertainty hanging over the Danish economy and assured Nordic representation at Brussels. Prime Minister Krag called the vote "a Nordic bridgehead in Europe."

Speculation that Norwegian rejection of membership last week would aid anti-EC forces in Denmark proved unfounded. Conversely, the critical reaction from many capitals in Western Europe to Norway's move may have convinced some undecided Danish voters that membership was, indeed, advisable.

The decision will not solve all of Denmark's economic problems. A slight devaluation and other economic adjustments still may be required to prevent continued balance-of-payments deficits. The foreign exchange market in Copenhagen, which had been closed for a week, will open again today, however.

Market opponents staged massive demonstrations during the referendum and created some violence, including bomb threats, last night as a pro-EC victory became apparent. The leader of the Socialist People's Party, which spearheaded the opposition, charged that Denmark had been "torn loose" from Scandinavian politics and vowed to "hold back" further integration with the market.

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NOTES 25X1 LEBANON-FEDAYEEN: The government is trying to strengthen the armed forces' hand in dealing with the commandos. 25X1 25X1 25X1 Most cross-country movement by fedayeen groups can now be detected in daylight, even though fairly extensive movement at night could go unobserved. Lebanese officials claimed that no fedayeen groups are currently located south of the 25X1 Litani River 25X1 25X1

THAILAND: For the second time in two days
Communist forces, presumably North Vietnamese, have
launched a small-scale attack against a US-leased
air base in Thailand. Preliminary reports indicate
that a force of eight to 12 sappers attempted to
penetrate the Udorn air base in northeastern Thailand
early this morning. One sapper was killed and one
captured; three American servicemen were slightly
wounded. Although one satchel charge was exploded,
there was reportedly no damage to facilities or
aircraft. While these attacks have been limited
in nature, they may mark a more concerted effort
on the part of the Communists to bring pressure on
the heretofore_inviolate US air bases in Thailand.

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